

■ InfoTech

Microsoft Asia-Pac prexy talks about piracy



■ Sports / A26

Jenny pockets more than P2M



■ Business /

BBC's Rico Hizon starts column

■ Lifestyle

From hot flashes to hot babes



Tanong ng Bayan / A24

Amici curiae: Nakakatulong ba o nakakagulo?



2 Filipino seamen killed, 16 missing in tanker sinking

PHILIPPINE DAILY INQUIRER

BALANCED NEWS, FEARLESS VIEWS

Jeepney drivers mount nationwide strike today

We bombed ferry, says Abu chief

GMA says pranksters behind terror claim



ABU Sayyaf leader Jainal Antel Sali Jr., alias Abu Solaiman



Rescuers smell stench of death on ship

Samar town mayor shot dead in cockfight arena; politics eyed



102-year-old can still thread needle

Class war theme has new variant

ANALYSIS



Medical mission underscores shining moment of Filipinos



Solon faces raps for diverting pork

Aquino recalls Sandra Burton, offers Mass



Educators say GMA scholarship plan is recycled Ninoy project

Tied to campaign

Three years

Payment problem

Not of voting age

Masseur proves sight not needed to run fast

Not a quitter

Blind man runs

Witness for Fernando Poe Jr.'s defense–Dolphy?



DOLPHY

Day-off

60 years

Paulita who?

Snubs media

Top kidnap gang leader finally falls in Laguna

Nene bares gov't plot against opposition

Roco scores Poe for 'MTV-like' ads

Hold off on Japan deals, Palace urged

UK renews travel warning on RP

By Jerome Aning

Palace okays Beijing as peace talks site

By Gil C. Cabacungan Jr.

RP wants to hear more of Indon security plan

By Jerome Aning

Calling Mapuans

ENTERTAINMENT
Editor Louie C. Cruz

ON MARRYING MATET DE LEON

'We've always wanted this, even before the baby came'





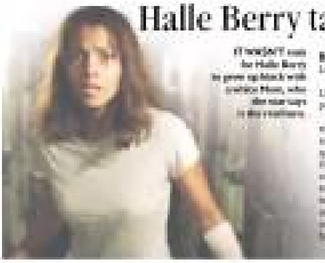
By Marinel R. Cruz

Nervous

Simple wedding

Feeling secure

Halle Berry talks about white mom, surviving Hollywood



INQUIRER EXCLUSIVE

Vulnerable

Hollywood history

The WORLD

Aristide flees

PORT-AU-PRINCE, Haiti—President Jean-Bertrand Aristide fled Haiti on Sunday, bowing to pressure from a rebellion at home and governments abroad, US and Haitian officials said.

Hundreds of angry Aristide militants armed with old rifles and pistols converged on the National Palace, the presidential seat in Port-au-Prince. Gunfire rang out in the area.



BOMBS TO KNIVES

The Daily Gospel

Monday, March 1, 2004

Millions join anti-China protest in Taiwan

Iraqis miss charter deadline as deaths mount

Report: Saddam regime stole billions from oil-for-food deal

AFP

Japan confirms 3rd outbreak of bird flu



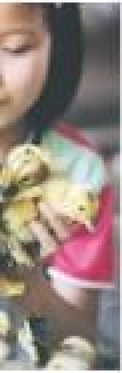
3 Palestinians die in Israeli missile attack

6-nation talks on nuclear cr





MCLE SEMINAR FOR LAWYERS



Bush intensifies hunt for Bin Laden



isis fizzle out

oblessness dogs
. Africa 10 years
fter apartheid

INQUIRER

OPINION



Businessmen's agenda

EDITORIAL

Cancel franchises of striking jeepneys

AS I SEE IT

Neal H. Cruz

Fiesta

THERE'S THE RUB

Conrado de Quiros

Cramming won't work

POLITICAL TIDBITS

Belinda Olivares-Cunanan



Screen name

READERS' ADVOCATE

Raul J. Palabrica



The visit

KRIS-CROSSING MINDANAO

Noralyn Mustafa



Exchange of ideas

THE LONG VIEW

Manuel L. Quezon III



Will FPJ still keep faith with 'masa' interests?

LETTERS

John Hancock-Manulife merger

Is FPJ being inflicted on the country?

Measures to curb shortages of basic items

Super slow telegraphic transfer

Across the NATION

Left insists military behind killings

Army exec denies abduction of Bayan Muna members

NCIP term lapse worries indigenous peoples

Subanen group to support pro-tribal candidates



GMA blows top over slow work on ADB road project



Lucena students clean up FPJ campaign litter

More poll benefits for public teachers

102-year-old can still thread needle



Jeepney drivers mount strike

Class war theme has new variant

We bombed ferry, says Abu chief

Baldness

Passenger 51

Timing device



VILLAGERS on a motorbike pass by the remains of the SuperFerry 14 lying near Mariveles, Bataan.

Never forget

No let-up

Samar town mayor shot dead in cockfight arena; politics eyed

3 angles

Hot spot

Medical mission underscores shining moment of Filipinos

Life-saving surgery

Foundation donors

Rescuers smell stench of death on ship

Unreported passengers

One third of ship

Regular updates

Missing father

False hopes

'I need my father'

High school students

Vivid images

2 Filipino seamen killed …

Fire on deck

No more victims

'We've always ...

From page A1

[illegible]

Halle ...

From page A1

[illegible]

Real fears

[illegible]

Not right

[illegible]

More movies on pages C4, C5 and C7

2 pregnant women killed in SLEX fire

[illegible]

Cop stations watched

[illegible]

Sale of pirated CDs continues despite tough gov't drive

By Tina Santos

[illegible]

Protection

[illegible]

Creative

[illegible]

New law

[illegible]

Help us find this woman



[illegible]

METRO

U-turn slots set on Timog

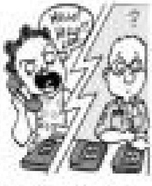
2 in killing of UP student arrested

By Tarra Quismundo



WET MYSTERY
Children wade through murky, stagnant water along Pasong Tirad in Makati City, which has been flooded for weeks. The source of the water and what government agency is responsible for clearing it are mysteries puzzling residents.

Blaze fries police phone lines in QC



Two-way radios

Hot bath

Double whammy

Tears for karaoke

Fatty food endanger Makati folk

SPORTS

E-mail: pi_sports@inquirer.com.ph
Editor: Teddyvic S. Melendres
Assistant Editor: Edwin M. Villanueva



MICHAELS pumps his fist after sinking his final putt in the RP Open at the Riviera in Silang, Cavite. Michaels shot a final round 69 to turn back Pagunsan by 3 shots.

What's Inside



Michaels foils Juvic, snatches RP Open

By Jong Arcano

SILANG, Cavite—Before he planed in from Atlanta, American Edward Michaels was doubting his future in the game. His swing was a virtual wreck, his confidence low. Worse, the modest wad of cash in his pocket was fast thinning out.

Reyes, Kiamco barge into Asian 9-ball semifinals

Jenny ties for third, bags ₱2M

By Jong Arnaiz

THE "BIG W" almost came and Jenny Rosales just made everybody know that she's serious about it.



SPORTSWATCH

Tour Pilipinas reset April 15-May 2

Manila to stage First Park Volley

Tennis and sports youth camp at Subic

10 teams enter NBDL cagefest

NCA stages 7-cock derby at Araneta

Slasher Cup gets 80 additional entries

Pacquiao's Ring belt arriving March 5

Michaels foils . . .

POC: Chance for heroism gone down the drain

BARE EYE



Recah Trinidad



[illegible]

DLSU upsets SSC, gains Nestea beach volley finals

By Marc Anthony Reyes

[illegible]



[illegible]

PAL INTERCLUB

Luisita caps record 5th win in row with big round

CAGAYAN DE ORO CITY— Luisita produced a runaway final round of 208 points at the Pueblo de Oro course yesterday to cap its unchallenged march to a record fifth straight Philippine Airlines Interclub Seniors Championship.

[illegible]

Hot scoring

[illegible]

Very consistent

[illegible]

Founders Division

[illegible]

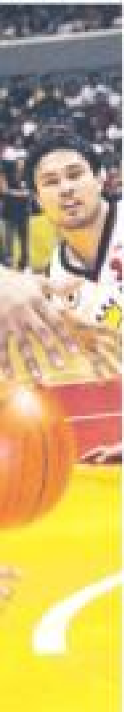
THE COMPLETE RESULTS

[illegible]

Embattled Hotdogs seek NBA veteran

Gin Kings spoil Alvin's career gem





BAP congress gives officers fresh mandate



LITERAL



LIM

Tomacruz, Manuel sail to stirring Hobie win



Tomacruz and Manuel celebrate their victory in the Hobie class.

Cordial, Cabatac rule Patakbong Pinoy at State U

Dance athletes hone up for 2005 SEA Games



Nets get back on track with victory over Heat





Bryant's triple-double powers Lakers win

Injured Duncan to miss Spurs' next five matches

Stackhouse out for season after meeting with Jordan



STACKHOUSE



Morales takes Chavez's diadem



OLYMPIC CHAMP

Peruvian lightweight collapses after losing fight

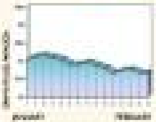
Foreman mulls another comeback



BUSINESS

Risks of policy reversals worry IMF

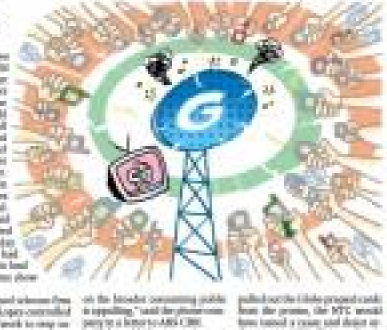
CURRENCIES



Sluggish trading seen



Globe accuses ABS-CBN of disrupting prepaid service



BSP plans tighter rules on banks' investments











Expressway shakeup

COCKTALES

Victor C. Agustin

CASH-STRAPPED Crown Equities, the listed venture company controlled by former Equitable PCIBank CEO George Go, has agreed to give up the Alabang viaduct rehabilitation project as well as the extension of the South Luzon Expressway up to the so-called STAR Expressway in Batangas.

Crown Equities has signed a memorandum of understanding with a Filipino-led engineering group with Asian and European financing and technical backing, a deal that would ultimately cede 90-percent control of the 36-kilometer project.

It remains to be seen if Hopewell of Hong Kong, the original project proponent before Crown Equities bought majority control during the speculative Erap years, would continue to hang on to its remaining 10-percent equity or join the sale.

Based on the initial disclosure, the acquiring consortium is being led by Northeast Development and Acquisitions Corp., a local firm that, strangely, could not be found from among the computerized list of companies with the Securities and Exchange Commission.

Northeast, along with DM Consunji and Universal Rightfield, acquired majority interest in Celebrity Sports Plaza in Quezon City shortly before the Asian currency crisis sank Universal Rightfield and nearly crippled DM Consunji.

In this expressway venture, Northeast reportedly partnered the First United Construction Corp., whose last major project, completed in July 1997, was the rehabilitation of the Ninoy Aquino International Airport drainage system.

According to the grapevine, the Northeast consortium is being represented in the negotiations by ex-stock exchange lawyer Ruben Almadro and Cory-era ambassador Domingo Lee.

Based on the disclosure by Crown Equities, the Northeast consortium would first acquire 60 percent of the expressway venture, with an option to buy another 30 percent after six months.

The acquisition price has yet to be disclosed, although the Crown Equities statement referred to the planned transfer of 150.09 million shares with a "book value of P0.87/share."

Girlish disclosure

MA. AMELITA "Girlie" Villarosa, who is seeking to win back her congressional seat in Occidental Mindoro, apparently owes Banco Filipino vice chair Albert "Bobby" Aguirre so much that she would not mind her professional reputation being tarred even in the US federal court records.

Despite her initial reluctance, Villarosa flew to Seattle and testified last week in the foreclosure case filed by Aguirre, her long-time boss, against Aguirre's younger sister Nenette.

According to the grapevine, Villarosa, on the witness stand at the Seattle District Court, expressed surprise when Nenette's US lawyer read the Philippine Supreme Court decision upholding the unseating of Villarosa by the Commission on Elections as a result of a 1998 electoral protest.

Written by no less than Chief Justice Hilario Davide, the en banc decision painted Villarosa in quite unflattering terms. Its introduction in the Seattle hearings was apparently meant to impeach her credibility before the jury.

The Seattle trial is expected to end this week.

Asian inhospitality

THE ASIAN Hospital could be in deep trouble if Raul Roco gets to Malacañang.

The Roco law firm has written both the immigration bureau and the labor department seeking to cancel the work permit of Asian Hospital CEO Bernard George Koval.

The Roco law firm represents the hospital workers declared redundant by, not surprisingly, Koval.

A spokesperson for Asian Hospital chair Jorge Garcia decried the deportation moves and the continuing press leaks, saying they were meant to derail ongoing negotiations with local and foreign investors looking to buy into the world-class hospital.

Among those that have reportedly expressed interest in acquiring the Alabang medical facility is the Metrobank Group.

Heard through the grapevine

THE DBP sale of the Pines Hotel property, where SM Baguio now stands, has been declared fraught with illegal shortcuts by the Makati Regional Trial Court.

(Email: cocktales_pdi@yahoo.com or cocktales_pdi@hotmail.com.)

MRT group readies $300-M bond offering

By Elizabeth L. Sanchez

A CONSORTIUM that leads the Metro Rail Transit project aims to tap fresh funding from the debt market through a secondary public offering of at least $300 million worth of bonds.

Should it secure an upgrade on the credit rating of its bonds, the MRT consortium plans to list these on the Luxembourg Stock Exchange to attract European investors, Fil-Estate Corp. president Robert John Sobrepeña said.

Sobrepeña said the consortium was seeking permission from the Securities and Exchange Commission (SEC) to sell the bonds—or a form of asset backed securities—to the public on a secondary placement once the ratings have been finalized.

The MRT consortium is seeking to improve its credit rating to Aaa from the Aa it secured earlier from the Philippine Ratings Services Corp.

The PRS Aa is the second highest possible rating under PhilRatings' long-term rating scale, which reflects the group's strong capability to pay off its debts.

"Based on government's performance now with the MRT, we feel it is a good time to list it on the international as well as local markets," Sobrepeña said.

Proceeds of the bond offering, which officials hope may reach $500 million based on current value, will go to the original bondholders which are consortium members Anglo Philippine Holdings Corp. and Fil-Estate Corp. Some of the bondholders are also financial institutions and the College Assurance Plan through its trustee bank.

RP awaits Japan agency's decision on power study

By Abigail L. Ho

Singapore firm bags $6-M energy deal

By Abigail L. Ho

Debt primer

NO FREE LUNCH



Cielito F. Habito

FEW economic issues can arouse as much emotion as the debt issue, and with good reason: The cost of servicing government debt has again risen to a third of the government budget, after having been brought down to less than one-sixth in 1997. This deprives our people of so much in vital social and economic services every year. The debt incurred for the infamous Bataan nuclear power plant, for which we are now reportedly paying more than $200,000 a day, is the single biggest piece of the debt, and for which the country benefits nothing. The recent downgrades we received from the international credit ratings agencies were largely motivated by the perception that our debt burden is approaching unsustainable levels. Is it?

Definitions and statistics

Talk about the debt often gets confused in terms of its categories and components. Debt is either owed to foreign or domestic lenders, and is incurred either by the government (both the national government and government-owned corporations) or by the private sector. Then there is debt stock or the total outstanding debt, as against debt service, which is what needs to be paid regularly (e.g. every year) for interest and amortization of the principal. When spouting out the numbers, we have to be clear what we are talking about.

In terms of borrowing, the Philippine government reported a total debt stock of P3.36 trillion as of end-2003. This is equivalent to about 75 percent of our gross national product or GNP. A little less than half or P1.65 trillion ($29.7 billion) is owed to foreigners, while P1.7 trillion is owed domestically.

In 2003, the government paid P231 billion for interest on outstanding debts, representing about 28.4 percent of the government budget. This year, interest payments will go up to P272 billion or 31.4 percent of the government budget. Payments on principal this year will be P271 billion, up from last year's P196 billion.

Contingent debts

But that is not all of the story. We have not yet counted contingent liabilities, or those debts which the government has committed to pay if the entities that incurred them, usually government corporations, are not able to do so. This occurs about as a result of government guarantees on loans incurred by the corporations, like borrowings by National Power Corp. or Napocor. It can also come from implicit commitments for service facilities built by the private sector under the Build-Operate-Transfer (BOT) scheme or its variants.

A prime example is the electric power that the government through Napocor has committed to buy at fixed amounts and fixed rates from the privately owned independent power producers (IPPs), whether or not the power is actually used or generated. Another example is the lease being paid to the builder-operator of the Edsa MRT line, which was based on certain expected earnings from the facility that had in past years not been realized due to lower-than-projected passenger traffic, among other things. All together, these contingent debts add up to another P[illegible] billion as of last count, and many are now turning into actual debts of the government due to financial difficulties of the entities that incurred them.

Contingent liabilities have grown more than seven-fold since 1990, when they amounted to only P100 billion. The growth in the 1990s came with all the BOT projects wherein the government was forced to take on a greater part of the risks. Now we know better.

Foreign debt and reserves

External debt or total debt owed by both the government and the private sector to foreigners was reported by the Bangko Sentral at $56 billion as of the third quarter of 2003. Servicing this debt takes up 17.6 percent or about one-sixth of our country's total export earnings.

The bulk of these foreign debts are medium- to long-term loans with an average maturity of 15-17 years. Only about one-tenth or $6 billion are in short-term loans. Meanwhile, we have foreign exchange reserves equivalent to a comfortable 2.5 times this amount, at about $16.5 billion. This is also equivalent to 4.5 months' worth of import requirements, again a relatively comfortable ratio. In contrast, Thailand had insufficient foreign exchange reserves to fund its short-term foreign debts in 1997, which precipitated the Asian financial crisis. And Argentina had less than a month's worth imports in its reserves when it began slipping into its crisis in 1998 that blew up four years later.

Managing the debt

So how should we manage the debt and avoid an Argentina scenario? Certainly, the government should avoid having the debt burden get worse than it already is. This means reducing the deficit and balancing the budget as soon as possible. As for the existing debt, a unilateral action such as repudiation or a moratorium can only be disastrous, as that would shut us out of any further borrowing. But we should certainly negotiate to the utmost to have our institutional debt stretched out more, swapped for social development projects, or reduced outright. Unfortunately, the better our economy gets, the harder it gets to do this. But there is no other way.

Comments welcome at [illegible]

Gov't approves incentives to boost use of natural gas

By Abigail L. Ho

PRESIDENT Macapagal-Arroyo signed last Feb. 24 an order to encourage the use of natural gas in the public transport sector by granting various incentives to industry players that will use the indigenous fuel.

EO 290, which implements the Natural Gas Vehicle Program for Public Transport (NGVPPT), aims to boost government efforts in achieving cleaner air as well as developing the natural gas industry.

The NGVPPT, through the new EO, is seen to help spur growth in the natural gas industry by creating markets for it in the public transport sector. It is also expected to improve energy supply security through the use of alternative fuel sources.

Public transport operators and potential investors in natural gas refilling stations that will participate in the program will be entitled to various perks, including:

- income tax holidays for pioneering projects that will qualify under the Board of Investments' Investments Priorities Plan;
- certificates of compliance with emission standards from the Land Transportation Office;
- preferential and exclusive franchises for natural gas-powered vehicles from the Land Transportation Franchising and Regulatory Board for newly opened routes;
- faster issuance of environmental compliance certificates from the Department of Environment and Natural Resources for natural gas vehicle (NGV) facilities and refueling stations;
- affordable financing packages from government financial institutions like the Development Bank of the Philippines;
- manpower development and capacity building through various training and technology transfer programs, and
- competitive compressed natural gas (CNG) prices, closely comparable with those of diesel.

An earlier issuance, EO 254, handed down at the start of 2003, provided lower import duties on NGVs, NGV engines, and other NGV-related facilities and equipment, including spare parts and other components. Importation taxes slapped on these items were reduced to only one percent.

Ms Macapagal likewise ordered the Department of Science and Technology to develop and produce locally made NGV conversion kits, parts and components to reduce dependence on imported products.



JBIC OKs funding for Transco project



AEV feeds subsidiary posts 100% increase in revenue

Next Mobile income hits ₱23M

Sluggish trading seen

Globe accuses ABS-CBN ...

Let's scrap compulsory retirement

QUESTIONS OF POLICIES

Horacio C. Genoral

[illegible]

Security Bank to hold series of briefings

[illegible]





RP seeks $20-M loan from Saudi for Mindanao projects

BIR set to amend tax regulation on 'tiangges'

By Michelle V. Remo

Electricity bourse to open in December

Improvement in credit rating system pushed

Communication agency adopts global identity

GTEB expects 15% growth in 2005 garments exports

By Ronnel W. Domingo

DESPITE the removal of export quotas next year, the Garments and Textile Export Board expressed confidence that garments exports will manage to grow by at least 15 percent.

This assumes that the country will keep its traditional export markets despite the phase-out of the quota system next year.

The removal of the quota system, which assures the Philippines of an export volume to key markets overseas, will test the garments industry's capability to compete with other countries for export markets.

The removal of the quota system is part of the Agreement on Textiles and Clothing under the World Trade Organization, which the country joined shortly after its creation in 1994.

The WTO-ATC provided for a phase out of the quotas in three stages over a 10-year transition period, with the aim of making the industry a market-driven business.

The GTEB, an attached agency of the Department of Trade and Industry, however, expects that the textile industry will continue its slump before it gets its act together and go for growth.

Agency data showed that garments and textile exports shrank by 4 percent to $2.4 billion in 2003.

GTEB does not expect a significant growth this year.

"Our forecast for 2004 took into account that critical categories (specific businesses secured of quota shares) account for 60 percent of the country's total business and that there are national price adjustments in the major markets United States, Canada and the European Union," GTEB executive director Serafin N. Juliano said.

The official added that in 2004, a feature in the quota system called carryforward—which allows a country to "borrow" volumes from the next year's quota—will no longer be available since there will be no more quotas in 2005.

Also, Juliano cited an analysis made by the United Nations Conference on Trade and Development on the impact of the removal of quotas in the global market, which shows that there would be no rapid change in 2005 on where importing countries would get their clothes.

BSP to screen banks' independent directors

By Doris C. Dumlao

THE BANGKO Sentral ng Pilipinas will soon set up an accreditation system to screen independent directors who will sit on the boards of banks and financial institutions.

BSP Deputy Governor for bank supervision Alberto Reyes said in an interview that the move was part of the BSP's efforts to ensure that best practices were adopted by banks.

"We're moving toward that because we want to have a pool of independent directors who can be assigned to banks and can also be tapped by the Securities and Exchange Commission," Reyes said.

Jesus Estanislao of the Institute of Corporate Directors hailed the BSP's move saying that it will soon put the banks' corporate governance practices at par with the world's best.

"Independence is going to be increasingly defined following the model in Australia where there is a certification system. Each independent director has to be certified and must take a program," Estanislao said.

Banks are currently required to appoint at least two independent directors to their board.

These directors are tasked to provide an independent voice in the board of local banks, many of which are family-run.

Reyes said banks were still in the process of "getting used to" the requirement that they must appoint independent directors to the board.

"But slowly we're moving toward that. This is what is being done in other countries," he said.

Duck raising is something to quack about

SUCCESS STORY

'Secret' feeds formula

Best-selling

Good prospects



ADB satisfied with Cordillera agri projects

Bus rates down by 50-60% in Ecija route

LIFESTYLE

Editor Chelo Banal-Formoso
Associate Editor Lito Zulueta

MONDAY ARTS • TUESDAY FITNESS • WEDNESDAY 2BU • THURSDAY FOOD • FRIDAY HOME & FASHION • SUNDAY SURPRISES

From hot flashes to hot babes

A musical mentions the unmentionable: 'Menopause'



RED-HOT MAMAS. (From left) [illegible] Francisco, Mitch Valdes, Leah Navarro and [illegible] star in "Menopause, The Musical," opening March 5 at the Music Museum.

By Gibbs Cadiz

THEY'RE still not topics of polite conversation, and mention of them often brings wincing, embarrassed replies. But make no mistake about it: Body parts and functions are the new theater chic.

[illegible]

Cessation

[illegible]

THE MASTER ON FILM

Thoroughly modern Victorio Edades

THE LIFE of Victorio Edades might not be as dramatic as the life of Van Gogh, Frida Kahlo or Pollock, but it was no less epochal—in the Philippine art world, at least.





Dramatic highlights

Levels of history

Cultural significance

'Museum Hopping' in Singapore



Art reflecting grace at the Ateneo Gallery



New arts scholars named

Mindanao erotic imaginings in Cebuano

By Linda Kintanar-Alburo



Protest imagery

Frontier-pushing

UST National Writers Workshop accepting applications

THE UST Center for Creative Writing and Studies is now accepting manuscripts for the 5th UST National Writers Workshop to be held on April 23-May 1 in Baguio City.

The deadline is on March 15.





New book on Filipino women writers in English

TO CELEBRATE Women's Month, the Ateneo Library of Women's Writings and the Ateneo Press will launch Edna Zapanta-Manlapaz's "Filipino Women Writers in English, Their Story: 1905-2002," March 2, 4:30 p.m., at Quad 3 near the Social Sciences Bldg. of the Ateneo campus, Loyola Heights, Q.C.

The book chronicles the evolution of Philippine literature simultaneously in terms of medium (English) and gender (women).

From hot flashes to hot babes





Girl empowerment

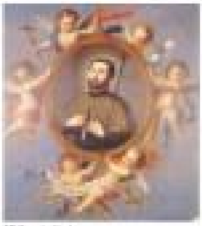
Text-a-poem winners known

Dance studio holds workshop

Lecture on acting

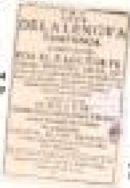






Conquistador exhibit fortifies Philippine-Spanish ties









Manila-Acapulco Galleon Trade





Tape art recycles, critiques pop and pulp icons





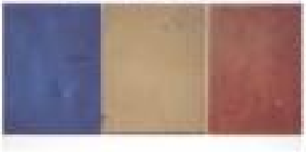




Naval at Astra, Leano and Pacquing at West







Visual Arts

Works on romance on exhibit

